2007-05290/

Government of Canada Securities

A Publication of the Department of Finance

October 2005

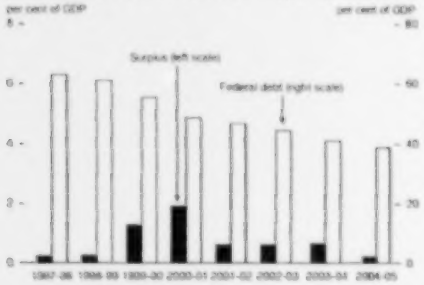
Canadian Economy

Selected Canadian economic statistics

	2004				2005	
	Q1	Q2	Q3	Q4	Q1	Q2
Annualized growth rates			(per cent)			
Real gross domestic product	2.7	3.9	2.9	2.1	2.1	3.2
Final domestic demand	5.2	2.4	3.5	4.3	6.2	2.9
Employment growth	1.1	2.0	1.3	1.7	0.6	1.7
Other						
Unemployment rate	7.4	7.2	7.1	7.1	7.0	6.8
Current account balance (percentage of GDP)	2.1	3.0	2.2	1.6	1.0	1.4

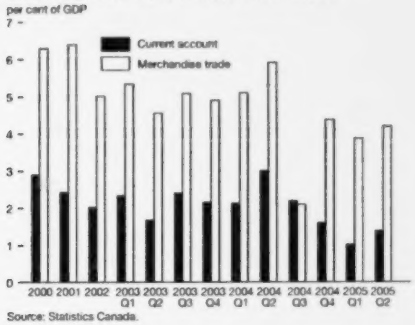
Source: Statistics Canada.

Government of Canada debt (accumulated deficit) and budgetary balance



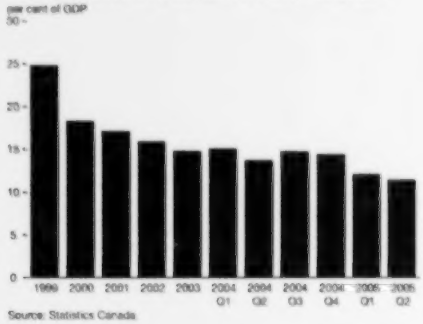
Source: Department of Finance.

Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

Canada's net international liabilities



Source: Statistics Canada.

Upcoming economic data releases of interest

October	November	December
September Labour Force Survey (October 7)	October Labour Force Survey (November 4)	November Labour Force Survey (December 2)
September CPI (October 25)	October CPI (November 22)	November CPI (December 22)
August GDP (October 31)	September GDP (November 30)	October GDP (December 23)
	National Economic and Financial Accounts July-September 2005 (November 30)	

Canada

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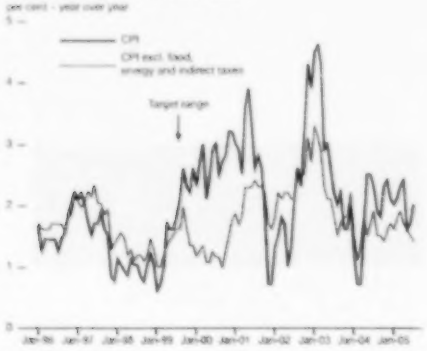
Canadian Economy

Consumer Price Index

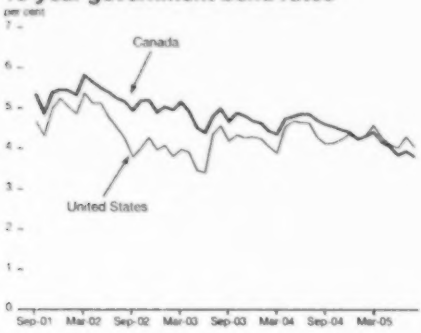


Source: Statistics Canada.

3-month treasury bill rates

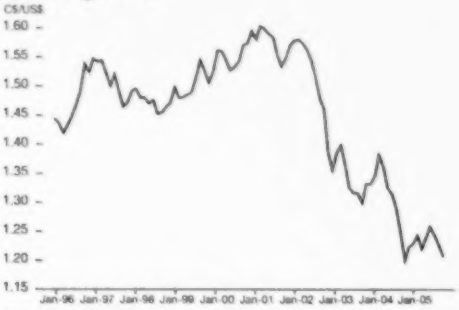
Sources: Bank of Canada and Federal Reserve.

10-year government bond rates



Sources: Bank of Canada and Federal Reserve.

Exchange rate

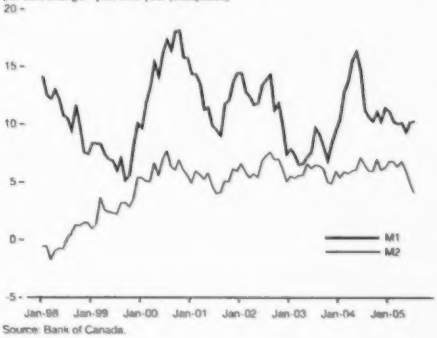


Source: Bank of Canada.

Overnight money market rate

Source: Bank of Canada.

Canadian monetary aggregates

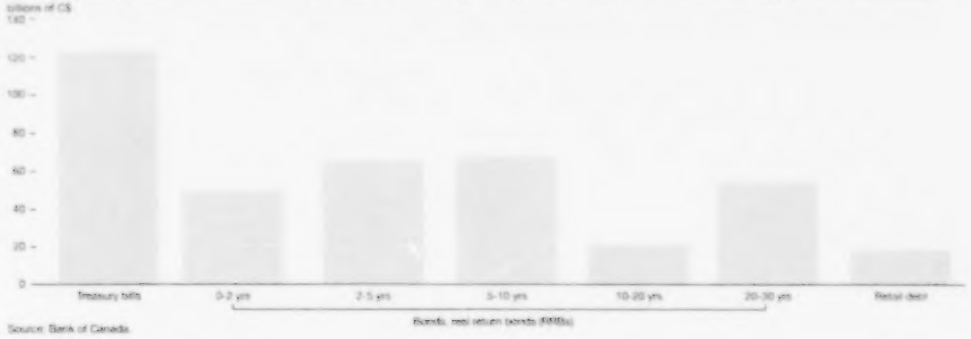


Source: Bank of Canada.

Government of Canada Securities

Primary Market

Outstanding Government of Canada treasury bills, bonds (by term maturity) and retail debt



Source: Bank of Canada.

Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
September 14, 2005	2	December 1, 2007	2.75	3,400	99.204	3.125	2.343	0.3
August 31, 2005	30	December 1, 2036	3***	300	128.156	1.815	2.681	n.a.
August 24, 2005	5	September 1, 2010	4	2,000	102.246	3.507	2.456	0.2
August 10, 2005	10	June 1, 2015	4.5	2,100	103.211	4.098	2.379	0.5
July 6, 2005	30	June 1, 2037	5***	1,300	111.690	4.321	2.446	n.a.

* Coverage is defined as the ratio of total bids at auction to the amount auctioned.

** Tail is defined as the high accepted yield minus the average yield.

*** Real return bond.

Source: Bank of Canada.

Government of Canada bond auctions

Type of issue	Auction date (2005)	Further details of issue (2005)	Dated and delivered (2005)	Amount maturing*
				(millions of dollars)
10-year	November 2	October 27	November 7	0
5-year	November 16	November 10	November 21	0
Real return bond	November 30	November 24	December 5	0
2-year	December 14	December 8	December 16	0

In addition, this quarter six operations are planned under the Government of Canada bond repurchase program. Three repurchase operations are being held in conjunction with each nominal bond auction, and three switch repurchase operations are taking place: one on October 5 in the 5 year sector, one on October 13 in the 30-year sector and one on December 7 in the 10 year sector. Further details are released on the Thursday prior to these operations.The target amount for the repurchase this quarter is $2.4 billion.

*Maturity of $8.3 billion on September 1, 2005.

Source: Bank of Canada.

Government of Canada Securities

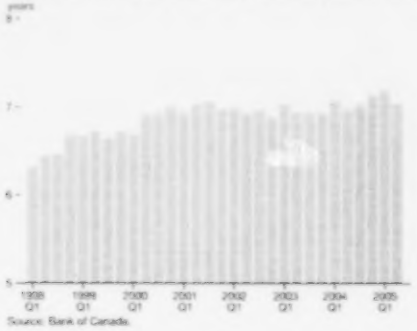
Primary Market

Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield (Sept. 22, 2005)
		(%)	(millions of dollars)	(%)
Fixed-coupon				
2-year	December 1, 2007	2.75	3,400	3.18
5-year	September 1, 2010	4.00	9,159	3.47
10-year	June 1, 2015	4.50	9,900	3.85
30-year	June 1, 2033	5.75	13,410	4.17
Real return				
30-year	December 1, 2026	4.25	5,250	1.56

Source: Department of Finance

Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada

Upcoming Government of Canada marketable bond maturities

October-December 2005	January-March 2006	April-June 2006	July-September 2006
	(millions of dollars)		
8,431	267	6,563	9,026

Outstanding Government of Canada foreign currency debt

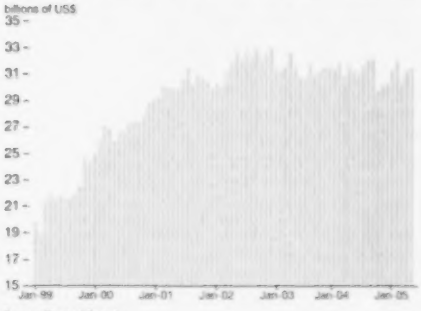
	(C$ millions)*
Canada bills	1,989
Canada notes	1,058
Outstanding under EMTN program	1,532
6¼% US$ bonds maturing August 28, 2006	1,171
6¾% NZ$ bonds maturing October 3, 2007	406
4¼% EUR bonds maturing July 7, 2008**	2,909
5¼% US$ bonds maturing November 5, 2008	2,926

* At par value, adjusted for exchange rates as of September 22, 2005.

**Original issue of Deutsche Marks was redenominated into euros on February 19, 1999.

Source: Bank of Canada.

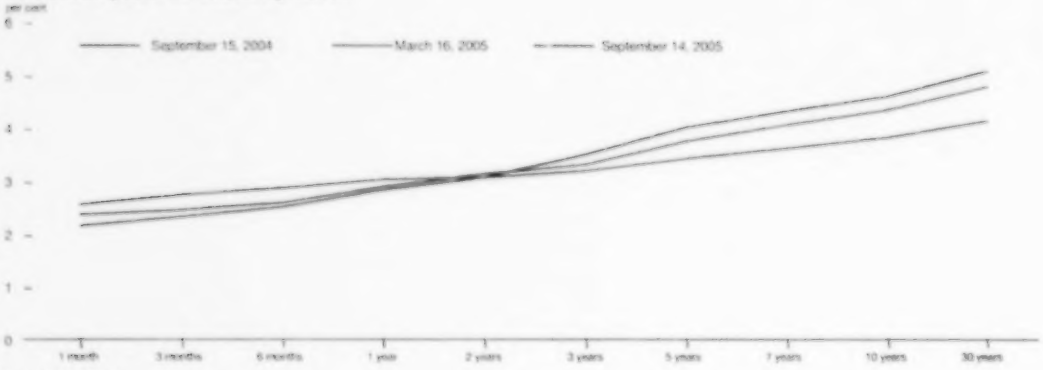
Canada's level of liquid foreign reserves



Source: Bank of Canada

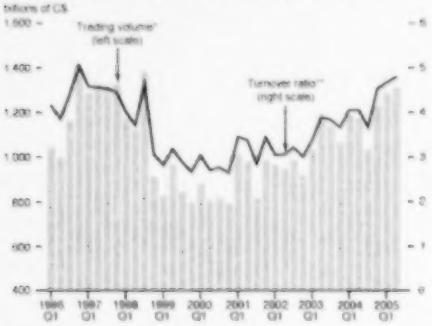
Secondary Market

Canadian yield-to-maturity curve



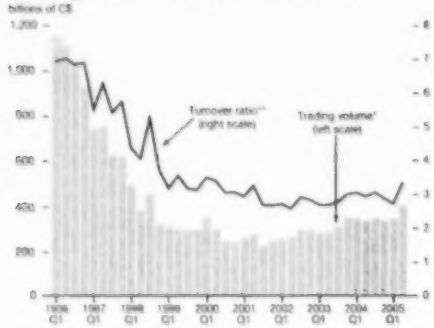
Source: Bank of Canada

Government of Canada bonds trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada

Government of Canada treasury bills trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada

Government securities distributors

- Bank of Montreal (treasury bills only)
- Beacon Securities Limited
- BMO Nesbitt Burns Inc. (marketable bonds only)
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (treasury bills only)
- Casgrain & Company Limited
- CIBC World Markets Inc. (marketable bonds only)
- CTI Capital Inc.
- Desjardins Securities
- Deutsche Bank Securities Limited
- Golden Capital Securities Limited
- HSBC Bank Canada
- Laurentian Bank Securities Inc.
- Merrill Lynch Canada Inc.
- J.P. Morgan Securities Canada Inc.
- National Bank Financial Inc.
- Ocean Securities Inc.
- Odlum Brown Limited
- RBC Dominion Securities Inc.
- Scotia Capital Inc.
- Société Générale Valeurs Mobilières Inc.
- The Toronto-Dominion Bank

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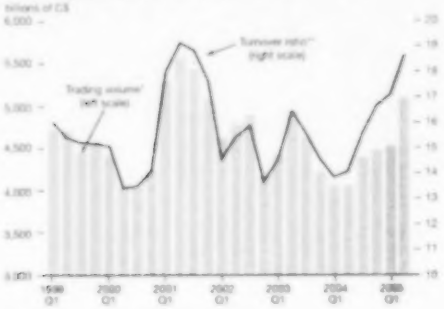
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



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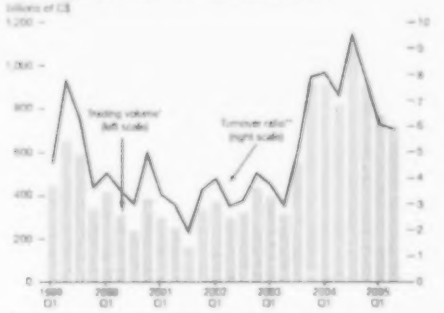
Government of Canada treasury bill repos trading volume and turnover ratio



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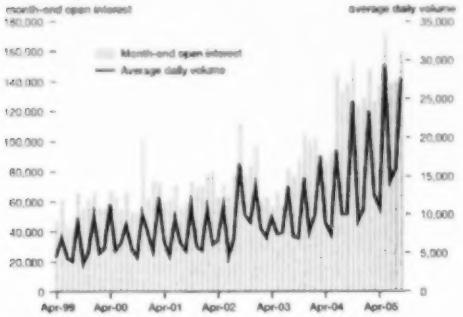
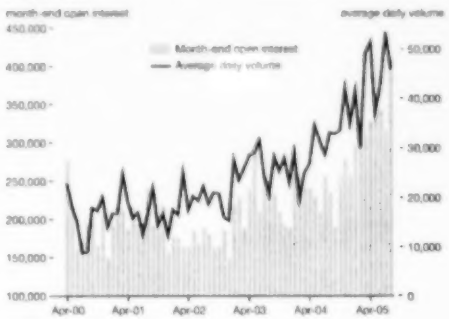
Source: Bank of Canada

10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Dominion Bond Rating Service Current
Domestic debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable
Foreign debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable

This publication is also available on the Internet at www.fin.gc.ca.
Except as noted, the information in *Government of Canada Securities* is based upon data available as of September 23, 2005.
For further information, contact Ian Blachford at (613) 992-6386.
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